Long Term Borrowing

The MFMA requires a municipality or municipal entity to invite the National Treasury, the relevant provincial treasury and the public to submit written comments or representations to the council or board of directors in respect to the raising of any proposed debt through borrowing or any other instrument (refer sections 46 & 108).

To expedite this process and to enable the National Treasury and relevant provincial treasury to provide informed comments, the municipality or municipal entity is requested to supply the information contained on the attached "checklist" and include a signed certification, along with the invitation for comment. Failure to provide this information may delay the process.

Quarterly Borrowing Monitoring Return (QBMR)

Municipalities are reminded to submit the QBMR each quarter. A new return was developed, in consultation with various municipalities, and provides an enhanced level of detail and graphical presentation for the benefit of the municipality. Municipalities will find this return useful for keeping track of and analysing their borrowing. National Treasury also uses this information to analyse the overall municipal borrowing market with a view to increasing access to capital for infrastructure projects.

The QBMR and guidelines for completion thereof can be downloaded from the National Treasury website www.treasury.gov.za/mfma located under "National Treasury Return Forms". All municipalities and municipal entities must submit a QBMR electronically by the 15th day of the month following each quarter. Where there are no borrowings show "NIL" on the QBMR for the quarter.

We thank you for your assistance in this regard.

Contact

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TV PILLAY
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1 November 2005